

Message Text

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15

ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

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CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 FTC-01 /077 W

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R 021800Z OCT 75

FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 6469

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL PORTO ALEGRE

UNCLAS SAO PAULO 2041

PASS EXIMBANK, FCIA AND COMMERCE

E.O. 11652: N/A

TAGS: BPRO, BR

SUBJECT: FCIA CREDIT INSURANCE REQUEST - ADUBOS PAMPA S.A.

REF: STATE 228763

1. WITH REFERENCE TO PARAGRAPH 2 OF REFTTEL, MR. JOSE CARLOS GUIMARAES ALCANTARA, FINANCIAL DIRECTOR OF BENZENEX, HAS INFORMED AS FOLLOWS: UNTIL RECENTLY, BENZENEX, SOLORICO AND COPAS (COMPANHIA PAULISTA DE FERTILIZANTES) EACH OWNED A THIRD OF ADUBOS PAMPA S.A. OF CANOAS (RS) AND FERTILIZANTES UNIAO S.A. OF CUBATAO (SP). SUBSEQUENTLY, COPAS WITHDREW FROM PARTICIPATION IN BOTH PAMPA AND UNIAO, AND SOLORRICO ACQUIRED TOTAL CONTROL OF UNIAO, WHILE BENZENEX ACQUIRED TOTAL CONTROL OF PAMPA (99.8 PER CENT). PAMPA'S REGISTERED CAPITAL BEING CR\$ 36 MILLION OF WHICH BENZENEX ALREADY HELD APPROXIMATELY CR\$ 12 MILLION, BENZENEX PROVIDED THE REMAINING CR\$ 24 MILLION PARTLY BY TRADING ITS SHARES IN FERTILIZANTES UNIAO.

2. COPIES OF BENZENEX'S FINANCIAL STATEMENTS OF 12/31/74 AND 6/30/75 ARE BEING AIRMAILED SEPARATELY.

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3. MR. ALCANTARA REPORTS THAT BENZENEX'S CURRENT REGISTERED CAPITAL IS CR\$ 60 MILLION, ALMOST ENTIRELY CONTROLLED AT THE PRESENT TIME BY THE NISSEI FUJIWARA HISATO GROUP. BENZENEX'S NET WORTH, HE GAVE THE FIGURE OF CR\$ 110 MILLION.

4. MR. ALCANTARA' INFORMATION SEEMS TO DENY THE LIKELIHOOD OF BENZENEX BEING ACQUIRED BY THE IPIRANGA GROUP. HE SAID THAT BENZENEX HAS NOW BECOME ONE OF THE FEW MAJOR MIXERS OF FERTILIZERS IN BRAZIL, EXCLUDING BASIC FERTILIZERS. TO MAINTAIN ITS BENZENEX'S POSITION AND EXPAND FURTHER, THE FIJIWARA HISATO GROUP WOULD LIKE TO CLOSE A JOINT VENTURA AGREEMENT FOR BENZENEX WITH A MULTINATIONAL OF FOREIGN MANUFACTURER OF BASIC FERTILIZERS, BEING PREPARED TO YIELD AS MUCH AS 40 PER CENT OR EVEN MORE OF BENZENEX'S STOCK TO SUCH A COMPANY. HE ADDED THAT BECKER CORPORATION, WHICH REPORTEDLY INTENDS TO BUILD A SUBSIDIARY PLANT IN PARANAGUA (PR), MAY BE INTERESTED IN THIS DEAL.

5. MR. ALCANTARA ADDED THAT BENZENEX WOULD APPRECIATE COMMERCE'S DISCREET ASSISTANCE BY DIVULGING BENZENEX'S IN A JOINT VENTURE AMONG MAJOR U.S. BASIC FERTILIZER MANUFACTURER.
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